GOVERNMENT OF INDIA
AGRICULTURE
LOK SABHA

UNSTARRED QUESTION NO:3278
ANSWERED ON:05.08.2002
AMENDMENT IN AGRICULTURAL MARKETING ACT
PRABHUNATH SINGH

Will the Minister of AGRICULTURE be pleased to state:

(a) the difficulties being faced by farmers in marketing their produce;

(b) whether they are forced to sell their produce to designated agencies in the open market;

(c) whether the Government propose to amend Agricultural Marketing Act to give a wide choice to farmers;

(d) whether the Government of Karnataka has amended the Act and signed a Memorandumof Understanding with National Dairy Development Board (NDDB) to set up horticulture market; and

(e) if so, the details thereof?

Answer

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE(SHRI HUKUMDEO NARAYAN YADAV)

(a) & (b): Government is promoting organized marketing of agricultural commodities in the country through a network of regulated markets. Most of the State Governments and UnionTerritory Administrations have enacted their own legislations to provide for development of agricultural produce markets. As on 31.3.2001, 7161 markets have been covered under regulation. The country also has nearly 27,294 rural periodical markets, about 15% of which function under the ambit of regulation. It was envisaged that physical markets with facilities and services would attract the farmers and the buyers creating competitive trade environment thereby offering best of the prices to the producers/sellers.

The Expert Committee on Strengthening and Developing of Agricultural Marketingappointed by this Ministry to suggest ways and means to strengthen and develop agricultural marketing system in the country in its report has pointed out that regulated market have achieved limited success. These markets were supposed to ensure smooth and orderly development of agri-marketing by ensuring fair play of trade practices and market forces. Over a period of time these markets have, however, acquired the status of restrictive and regulated markets, providing no help in direct and free marketing, organized retailing, smooth raw material supplies to agro-processing, competitive trading, information exchange and adoption of innovative marketing systems and technologies.

(c): With a view to strengthening and developing agricultural marketing system in the country, an inter-Ministerial Task Force set up by this Ministry has submitted its Report on 28th June 2002. The Report has outlined several reforms in the agricultural marketing sector including amendment in the State Agricultural Produce Marketing Regulation Act inter-alia to provide for the following:-

i) Enabling private and cooperative sectors to establish and operate (including levy of service charge) agricultural marketing infrastructure and supporting services.
ii) Direct marketing of agricultural commodities from producing areas and farmers fields, without the necessity of going through licensed traders and regulated markets.

iii) Permitting `Contract farming` programs by processing or marketing firms.

iv) Rationalization of levy of market fee by introducing single point levy of market fee in the entire process of marketing in the State.
All the State Governments and Union Territory Administrations and the concerned Departments of Central Government have been addressed to take necessary steps for implementing the reforms measures.

(d): Yes, Sir.
(e): The State Government of Karnataka had executed an Memorandum of Understanding

(MOU) with National Dairy Development Board (NDDB) on 28.02.2000, which among other things included the setting up of a horticulture market in Bangalore. Accordingly the State Government amended the Karnataka Agriculture Produce Marketing (Regulation) Act, 1966, which allowed NDDB to establish, own and manage markets and other infrastructure forcollection and distribution of fruits and vegetables in Karnataka.